

Georgia Department of Transportation

Final Report of the 2014 Joint Study Committee on Critical Transportation Infrastructure Funding

January 14, 2015



Joint Study Committee Members and Meeting Schedules

- **Members:**

Rep. Jay Roberts, Co-Chair

Rep. Terry England

Rep. Jon Burns

Rep. Mark Hamilton

Rep. Calvin Smyre

Mr. Edward Lindsey (Speaker Appointee)

Mr. Chris Clark (GA Chamber)

Mr. Ross King (ACCG)

Sen. Steve Gooch, Co-Chair

Sen. Jack Hill

Sen. Brandon Beach

Sen. Tyler Harper

Sen. David Lucas

Mr. Steve Green (Lt. Gov. Appointee)

Ms. Hala Moddelmog (Metro Chamber)

Mr. Lamar Norton (GMA)

- **Meeting Locations and Dates**

Atlanta, Aug 5th

Macon, Sept 3rd

Blue Ridge, Nov 19th

Columbus, Aug 18th

Augusta, Sept 30th

Rome, Nov 20th

Tifton, Sept 2nd

Savannah, Oct 1st

- **Study Committee Report released on December 30, 2014.**

Findings of the Joint Study

Committee Summary

- Report recommends “a minimum of \$1.0 – \$1.5 billion in new annual transportation infrastructure investment is needed” to address the challenges outlined in the report and to address the following:
 - (1) enhancement and expansion of interstate capacity to accommodate increase freight traffic;
 - (2) ensure safety and good repair of bridges and roadways throughout the state;
 - (3) mitigate congestion in urban and business centers throughout the state;
 - (4) elevate Hartsfield Jackson Atlanta International Airport to the fifth largest air cargo hub in the U.S.
 - (5) provide Georgians, business, and visitors with multi-modal transportation options.

Findings of the Joint Study

Committee Summary

- **Option 1:** establish a multi-year schedule to transition transportation debt service from motor fuel revenue to general fund revenue and appropriate the 1 percent general sales tax (“fourth penny”) levied on motor fuel sales to transportation purposes.
- **Option 2:** convert 4% sales tax on motor fuel to an excise tax (set to an amount equal to at least the four-year averages utilized by the GA Department of Revenue) yielding a new estimated excise tax rate of 22 to 25 cents per gallon.
- **Option 3:** index the motor fuel tax (inflation, construction costs, price of gasoline, etc.) or establish a fixed annual adjustment; suspensions of increase would require a declared state of emergency with legislative ratification.

Findings of the Joint Study

Committee Summary

- **Option 4:** a pure excise tax would enhance Georgia's competitive advantage under the terms of the International Fuel Tax Agreement with an increase of potentially \$60 million in tax revenue resulting from new motor fuel transactions.
- **Option 5:** recapitalize the GTIB as a revolving, self-sustaining loan/grant fund; dedicate a percentage of funds for lower tier counties (similar to the OneGeorgia tier system).
- **Option 6:** implement a one-cent statewide sales tax with an estimated annual yield of \$1.4 billion; General Assembly would have discretion to appropriate to transportation purposes.

Findings of the Joint Study

Committee Summary

- **Option 7: increase motor fuel tax** (unchanged since 1971); a 10-cent per gallon increase would yield approximately \$600 million annually.
- **Option 8: establish an annual road usage charge/fee for alternative fuel vehicles**; estimated at \$200 for non-commercial vehicles and \$300 for commercial (indexed to inflation or Corporate Average Fuel Economy standards); highlighted \$5,000 state tax credit for electric vehicles.
- **Option 9: identify solutions to “wean” state and local governments from use of gasoline sales taxes for non-transportation purposes** (recognizing existing legal and bond obligations).

Findings of the Joint Study

Committee Summary

- **Option 10:** increase state commitment to transit/public transportation, consider lifting 50/50 spending limitation on MARTA; establish a separate and permanent funding stream for transit throughout the state.
- **Option 11:** development of new toll lanes/facilities and expansion of managed lane networks.
- **Option 12:** double LMIG funding from the FY15 level of \$122.7million.



Questions?